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Sent by email to Christopher.haworth@ofgem.gov.uk

6th April 2020

Dear Christopher,

Response from Electricity North West to Ofgem’s proposal to modify the Regulatory Instructions and Guidance (RIGs) for RIIO-ED1

Thank you for the opportunity to respond to the proposed modifications to the Electricity Distribution Regulatory Instructions and Guidance (RIGs). Throughout this process, we have been fully involved in the RIGs working groups and have provided our input and views throughout.

The positive engagement during the working group stage of this process means that we now have limited comments to make on this consultation. We have provided our views below commenting by exception only.

Annex A – Glossary

| Definition | ENWL view |
|-------------------------|---|
| Spans affected by trees | We agree with the extension of this definition to include other vegetation management (such as ivy) however, we believe there is a need to remove the reference to ‘on overhead lines’. The current definition suggests that this classification of vegetation management cannot be utilised when growth is on the wooden pole and can only commence once the growth has reached the overhead line. |
| Cyber resilience | This new definition is required to support the collection of cost information associated with cyber resilience. To ensure clarity and alignment with the ‘IT and Telecoms (non-operational)’ definition, it would be beneficial to add some further text into the ‘cyber resilience’ definition. The proposed definition could be enhanced by adding the statement that ‘cyber resilience excludes any initial costs related to hardware and infrastructure, and application software development for cyber resilience, as these should be included in IT |



| | |
|------------|---|
| Definition | ENWL view |
| | and Telecoms (non-operational) as set out in the IT and Telecoms definition.' |

Annex B – Costs and volumes

| Table | ENWL view |
|---|--|
| M9b – Permit & lane rental (ex-ante), M9c – Permit & lane rental (reopener) and M9d – Permit & lane rental (legacy adjustments) | The guidance for the M9b table states that it should include 'permit and lane rental set up costs (costs and volumes)', we are currently unclear on how the information for volumes would be captured in the table for this line and suggest that the definition should just refer to costs. The M9b definition also then applies to Tables M9c and M9d. |
| M8 – Link boxes | Whilst we have no specific issues with the change that has been proposed it should be noted that as there has previously been no regulatory requirement for recording data in this manner we have not been doing so on replacement projects. This detailed split of link boxes will therefore require an element of estimation for the years 2015/16 to 2019/20. If this change is implemented, from that date we will progress making changes to our systems to ensure we are able to gather this information at source moving forward. |
| M19 – DSO | This is a new table planned for inclusion in the RIGs for the first time this year. There is minimal guidance on the completion of the table and DNOs are encouraged to use the commentary to provide detail on the costs they have included. As a new table it could be challenging to fully identify the appropriate costs for reporting as systems may currently not be set up to report in this way. It should also be noted that without a greater level of clarity over the definition each DNO is likely to report this table in a different way. In future, as the guidance is refined, the allocation of costs may change making it not possible to draw comparisons between years. |
| CV25b – Subsea cables | We note that the change proposed for this table was not fully discussed through the RIGs working groups and as such only became evident as part of this consultation. We believe that Table CV25b should be for SSEN only to complete, it would be inappropriate for us to move key information from other tables to populate this dataset. It is therefore necessary to reverse the proposed decision requiring all DNOs to complete this table. |
| M3 – ED1 WSC schemes | We have checked the formula associated with the new columns of data for 2010 and 2011. It appears that the calculation in cells M35 to M81 (2010) and N35 to N81 (2011) are currently both checking to the same 'Calculated number of customers interrupted in reference period' column for 2011 (cells AO88 to AO4973). Another 'Number of customers interrupted' column needs to be added to the template to cover the year 2010 and the formula for the section of the table associated with the 'Number of higher voltage Customers Interrupted in WSC reference period' requires adjusting to ensure the cells are linking to the correct years. |
| M17 – Totex | We believe that the check formula in row 33 of this table now shows an error. The check total takes the latest published 'PCFM Totex allowance' and compares this to the 'Totex allowance' in the M17 table excluding any additional allowance, for example from re-openers (row 32). However, the November 2019 PCFM Totex allowance figure has now been updated to include an additional street works value, this means that the check will give an error for |

| Table | ENWL view |
|--|---|
| | any additional allowance given for uncertainty mechanisms (rows 39 to 50). |
| M18 – FTEs | As the ‘2462 Quality Assurance and Regulatory Professionals’ category forms a sub-set of the SOC code ‘24 Business, media and public service professionals’, category 2462 should be placed in the table above category ‘31 Science, engineering and technology associate professionals’. |
| I2 – PCFM Input Nominal and I1 – PCFM Inputs 12-13 | We have spotted a minor inconsistency in that the tables for I2 and I1 are currently in the template out of order and need to be switched round. |

Annex C – Revenue

| Table | ENWL view |
|---|--|
| R5a Links – data from other reporting packs | The changes log states that within the R5a links tab, cells K14, L14 and N14 are greyed out however, looking at the proposed table it does not appear that this action has been completed and the cells still need to be ‘greyed out’. |

Annex G – Connections

| Table | ENWL view |
|--|--|
| Appendix 6 – SLC15A quarterly reporting template | We have concerns with the change proposed to this table as it will result in the double counting of failures. Whilst the volume of double counting is unlikely to be large, in principle it seems inappropriate to create an anomaly in regulatory reporting, especially in this case where both Ofgem and Citizens Advice publicly report on the number of failures. This issue could be resolved simply during the transition year to the new reporting approach through the inclusion of some additional text either in the RIGs or as an instruction, stating that if a failure has previously been reported i.e. in the preceding year, then it should not be reported again. |

General comments

| Comment | ENWL view |
|---|--|
| Linkage between the RIGs tables and the NetDAR risk assessment template | It is some time since the NetDAR risk assessment template was updated resulting in a variance being generated between the RIGs tables and those shown in the NetDAR template. For example, SLC12 and 15 are in the NetDAR as rows separate to SLC15A however, in the RIGs these now form part of the same pack. There are also new tables that have been added to the RIGs which are not within the NetDAR template i.e. the new M19 table. Equally there are some tables such as QoS Interruptions, F2 and F8 which no longer form part of the RIGs submission and yet are still showing in the NetDAR template. It would be helpful if a new risk assessment template that mirrored the current view of regulatory submissions was made available. |
| Further consultations | The RIGs consultation covering letter stated that a further consultation is due to be published regarding Annex F guaranteed standards of performance, we are also aware of planned RIGs consultations for RFPR and Pensions. We have been participating in the associated working groups discussing potential changes in these areas however, it should be noted that until clarity is received over the detail of any changes, it is not possible to confirm whether these |

| Comment | ENWL view |
|---------|--|
| | can be implemented within our reporting for the submission this year. We are also now aware that there is likely to be a delay on the publication of Ofgem documentation and therefore it would be helpful to understand the implications of this on these consultations and the RIGs reporting for this year. |

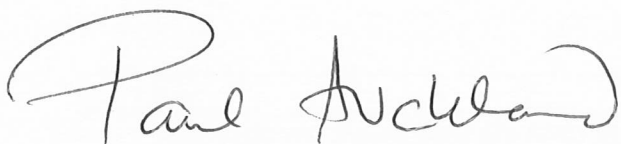
One element within the RIGs suite of reporting; QOS Interruptions Stage Data, is due to be submitted to Ofgem on 30th April 2020. We are currently working to complete our submission by this date however, early clarity over any changes following this consultation is needed to ensure delivery by this date. Any further changes to the QOS template at this point in the reporting cycle could cause reporting issues and delay.

As a country and an industry, we are currently experiencing unprecedented times due to Covid-19. We are working closely with Ofgem, as well as the ENA and BEIS to ensure that we continue to provide the high priority services across the north west that our customers rely on. We will endeavour to meet all our regulatory requirements. However we intend if necessary to focus on delivering high priority services.

Whilst the current situation with Covid-19 progresses, it will be necessary to keep the RIGs submission due on 31st July 2020 under review. As set out above we are continuing to aim to deliver our regulatory obligations in full. However, our resources must focus on safe and reliable electricity supplies. Depending on resource levels over the coming months, it may be challenging to achieve the regulatory deadline of 31 July for all tables whilst also ensuring completion of the assurance activities set out in our NetDAR submission. We will continue to monitor the situation though propose at that stage Ofgem consider how flexibility on deadlines could be provided. At this stage, shifting the formal delivery date to be 31 August 2020 for most Annexes and 30 September for the RFPR may be more appropriate given the current situation. Clearly the situation is changing rapidly.

I hope these comments are helpful. Please do not hesitate to contact me if you would like to follow up on any aspect of our response.

Yours sincerely



Paul Auckland
Head of Economic Regulation